of precipitous cliffs of rock, was ascertained to be attended with great difficulty, and immense expense. The in. troduction of steam power for towing, was suggested to the board; but the continual cost, difficulty in the repair of machinery, where no facilities for that purpose are at hand, with other objections, not necessary here to enumerate, induced the board to decline this expedient, and to adopt the plan now in the progress of construction, viz: a permanent tow path along the entire extent of the pool; which, in the end, it is believed, will be found decidedly the most economical improvement. This work, which will render every desirable facility to the trade of the canal, is under contract to enterprising men, at the cost of \$40,676, being less than the cost of one mile of canal at this point. It is, besides, permanent, and will probably be attended with no future charges; as it will be constructed in the most substantial manner.

Some breaches have occurred on the canal, since our last annual report, but they have not been so frequent, or to such extent as formerly; and with the exception of some few points, which will require strengthening, we are happy to say, that the banks are acquiring a solidity, which justifies the belief, that the vexatious interruptions to the navigation, atterdant on this as on all new works of a similar character, will be of rare occurrence

in future.

The fidelity with which the dams and other works have been constructed, was fully tested by the unprecedented freshet of last June; the ice of the river being so great as to pass on many sections over the tow path, but inconsideraable injury was done to the embankments, and none

to the masonry

The line of the canal row completed from the District of Columbia to Dam No. 5, eight miles above Williamsport, embracing a distance of one hundred and ten miles, is laid off into three divisions—each under the charge of an active and intelligent superintendent, who is constantly on the line, and inspecting the works. A few laborers are under the direction of the superintendents on each division, and are employed in making necessary repairs and improvements. They have boats suitable for the purpose, and at the shortest notice, with their implements and